

# REMOVAL OF NAMES OF MEMBERS AS COSPONSORS OF H.R. 1445

Mr. PALLONE. Mr. Speaker, I ask unanimous consent that Representatives RUNYAN, GRIMM, LOBIONDO, and BISHOP of New York be removed as cosponsors of H.R. 1445.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

# RESPONSIBLE HELIUM ADMINISTRATION AND STEWARDSHIP ACT

## GENERAL LEAVE

Mr. HASTINGS of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 527.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 178 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 527.

The Chair appoints the gentleman from Kansas (Mr. YODER) to preside over the Committee of the Whole.

□ 1403

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 527) to amend the Helium Act to complete the privatization of the Federal helium reserve in a competitive market fashion that ensures stability in the helium markets while protecting the interests of American taxpayers, and for other purposes, with Mr. YODER in the chair.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Washington (Mr. HASTINGS) and the gentleman from New Jersey (Mr. HOLT) each will control 30 minutes.

Mr. HASTINGS of Washington. Mr. Chairman, I yield myself as much time as I may consume.

Today, I rise in support of H.R. 527. This bill is necessary to protect our economy from the impending helium shortage and to inject free-market principles into our Federal helium program.

The Federal Helium Reserve was first created after World War I, when we imagined a world where blimps would be the future of air travel and vital to our national security efforts. Although this effort took a different course, that didn't stop the Federal Government from spending money on this program and stockpiling helium continuously through the 1980s. By the 1990s, it became clear that the Reserve had a de-

clining usefulness and had racked up a \$1.3 billion debt.

In response, Congress in 1996 passed legislation to implement reforms to the program and require the sale and privatization of the Reserve by 2015, or when the debt was paid off, whichever came first.

However, since this original decision to close the Reserve, both the demand and uses for helium have dramatically changed. This has created a situation where the Reserve's debt will be paid off sooner than expected—nearly 2 years earlier—in October of this year. But, while the debt will have been paid off, there will still be helium in the Reserve. By law then, the current Federal helium program will end and the Bureau of Land Management, or BLM, will no longer have the authority to sell the remaining 11 billion cubic feet of helium. It's important to note, too, Mr. Chairman, that the Reserve contains half of our U.S. domestic supply and 30 percent of the world's helium supply.

If Congress fails to act before October, we will artificially drop the helium supply and cause a global helium shortage that will cost jobs and severely disrupt our economy. Despite what many think, helium is not just used for party balloons. It is essential to our 21st century economy. Without helium we wouldn't have lifesaving MRI machines, computer chips, fiber optic cables, or other devices used for defense needs.

The bill before us today is truly a bipartisan plan that I'm pleased to have worked on with the lead Democrat on the Natural Resources Committee, Mr. MARKEY from Massachusetts, as well as our other colleagues on the committee, Mr. FLORES of Texas and Mr. HOLT of New Jersey.

First, this bill would implement a new operating system for the Federal Helium Reserve over the next decade that would include semiannual auctions. This will ensure that we prevent a helium shortage and that the Reserve stays open until nearly all of the helium supply is sold.

□ 1410

Second, it will build on the reforms made in 1996 and inject more free market principles into the sales process to get a better and fairer return for American taxpayers.

Over the last decade, the Federal Government has been selling helium from the Reserve significantly below market price. As you can see from this chart—and this is based on BLM data—the new demands for helium have caused the market price to rise much higher than the Federal Government's pricing formula and much faster than BLM's ability to track market prices.

So, as a result, this has cost taxpayers tens of millions of dollars. This has been confirmed by reports and testimony from both the Government Accountability Office, the GAO, and the Department of the Interior Inspector

General. The big gap is right here. This is what we are selling it for, and this is what the market price is.

In addition, the current program restricts sales to only a few companies through an allotment system that is essentially an oligarchy for Federal helium. Nearly 100 percent of our helium supply is being put into the hands of four refiners that directly benefit from the low Federal pricing formula while other competitors are locked out. The current cheap price of helium gives an unfair market advantage to these handful of companies.

Implementing semiannual helium auctions will inject much-needed competition into the program and help establish a fair market price for helium. According to the CBO, this bill will bring in over \$340 million to the Treasury over the next 10 years. The bill also includes important reforms to increase transparency and to prevent supply disruptions.

Now, Mr. Chairman, over 20 groups representing the end users of refined helium—and these are high-tech manufacturers of semiconductors, aerospace technologies, medical devices, chemicals, fiber optics, and scientific research—all have called for the passage of this legislation. Although this bill enjoys broad bipartisan support, I do want to take a moment to directly address some concerns that have been raised throughout this legislative process.

First, doing nothing is not an option. While I recognize that many people don't believe that the Federal Government should be in the helium business—and I would agree—we must recognize the realities of our current situation. Helium is too essential to our economy to essentially cut off the valve at the Reserve. We need this bill to protect our economy from severe disruptions and to provide additional time for the new development of alternative domestic helium resources so that our country and economy are prepared for when the Reserve does close. However, this bill will make sure that we are building on the reforms of the 1996 act and that we are managing and selling the helium in a more responsible manner.

Second, maintaining the status quo is not an option. Under conditions in the current law, the entire program comes to an end this October. Simply authorizing the continuation of the current program does nothing to address the current issues with the Federal pricing formula and the need to implement free market reforms. We cannot keep selling helium to a handful of companies. Instead, we need an open helium market that encourages more bidders, more competition, and more accurate pricing in order to get the best return for the taxpayers.

What we need then, Mr. Chairman, is no more lucrative handouts, no more government picking winners. What we need is good ole American competition.